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Floreen's proposed Economic Development Authority draws fire

Private sector wary over forced financial investment

by Erin Cunningham | Staff Writer

An economic development venture billed by Montgomery County Council President Nancy M. Floreen as her top priority is drawing criticism from the business community and her fellow council members.

"It doesn't do anything," Councilman Marc Elrich said of Floreen's proposal. "Inventing something so you can say you're trying to do something isn't particularly useful."

However, Floreen (D-At large) of Garrett Park, said those with whom she has shared the proposal, including members of the business community, support her concept.

In January, shortly after Floreen was named council president, she proposed a new economic development authority for the county.

Few details have been offered about the role and scope of the panel, which she billed as a "high-level private-public body" similar to those she said have spurred economic development in Virginia's Prince William and Fairfax counties.

Floreen described initial reaction as "universally positive."

But, said Councilman George L. Leventhal (D-At large) of Takoma Park, "I think it still needs quite a bit of work. I think Nancy's making a real effort to listen and get feedback, and that's exactly what she needs to do."

In a draft of the plan obtained by The Gazette the economic development authority is referred to as a Montgomery Business Development Partnership.

The role of the private-public body would be to "advance the economic development and prosperity of the county" by promoting the county as a business-friendly location and working to enhance the county's economic conditions, according to the draft.

Floreen said she has been gathering feedback from the business community, fellow council members and county officials. She had been expected to go public with her plan this month, but says February's blizzards caused a delay.

She now expects a final draft to be ready in April.

In the meantime, local chambers of commerce are weighing in.

"We provided comments on a first draft, and we're waiting to see how it has changed based on the input provided by the chambers of commerce," said Lisa Fadden, vice president of public affairs for the Montgomery County Chamber of Commerce.

Fadden said it was too soon to take a position on the draft publicly, but that the chambers submitted comments to Floreen on March 12.

"It is probably morphing," Fadden said of the plan. "The final product could be radically different than the first draft we saw."

All of the local chambers submitted feedback to Floreen as one body, Fadden said.

The sticking point for some appears to be whether Montgomery County companies will have to help finance the economic development authority — an unpopular proposition in the midst of a down economy.

"We may be calling upon the business community to make a contribution to this, and I think over time we will," Floreen said. "The issues that the chambers have are going to be in the details and the financial role the business community will be asked to play, and that's the part that's not resolved."

Floreen's draft proposal states, "The partnership must also raise private funds"

The plan does not offer specifics of how much businesses would be required to contribute, but any amount might not go over well with the private sector, according to Steven A. Silverman, director of the county's Department of Economic Development.

"This is a challenging time to raise money from the private sector for a private-public partnership," he said.

Silverman, who has seen a draft of the plan, said his office would work with Floreen's private-public partnership.

"The idea of getting private-sector companies engaged in supporting job creation and marketing Montgomery County is important," he said. "We just need to see whether this is the best method for doing it."

David Edgerley, former secretary of the Maryland Department of Business and Economic Development and current executive vice president of Harvest Bank of Maryland, said Floreen's plan can work if it has buy-in from the business community.

Edgerley, who also served as director of Montgomery County's Department of Planning and Economic Development for 12 years, said he has been briefed on a draft and said he has not decided whether to support it.

"Why not see if the support is there now," he said.

"If it doesn't have the support of the business community, then its accomplishment will be challenged, so most of these organizations grow from business support — not legislation that creates it," Edgerley said.

Bryant F. Foulger, principal at Foulger-Pratt in Rockville, a construction, development and management firm, said it is fine to ask the private sector to invest, but ultimately the responsibility for economic development lies with the county.

Foulger, who said he has worked with Floreen on her proposal, said he "by and large" supports her proposal.

"This is needed," he said. "We're in difficult times. It's not enough to just be Montgomery County anymore."